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## SPECIAL ANALYSIS

### EASTERN EUROPE: Repercussions of the Polish Crisis

[REDACTED]

East European regimes are nervous about events in Poland, and most of them are mixing cautious concessions with new controls to minimize the immediate effect of the Polish workers' recent gains. In the short term, Poland's allies are unlikely to suffer similar large-scale strikes, although they have many of the same economic problems. The gap between consumer expectations and living standards is narrower elsewhere in Eastern Europe than in Poland, and the workers lack a tradition of militancy or the links with an active and cohesive corps of dissidents. Most East European leaders, however, appreciate that they eventually will come under pressure to share some of the near-total power they now command if Polish workers succeed in establishing truly representative unions. [REDACTED]

Romania's hard-pressed and increasingly assertive workers may be encouraged by the Polish experience to stage work actions of their own, but labor unrest is unlikely to achieve the cohesion or scale of the recent disturbances in Poland. Minor disruptions in several industrial centers this summer, protesting unusually severe food shortages and cuts in some workers' bonuses, were uncoordinated and did not contain political overtones. [REDACTED]

The Ceausescu regime is taking no chances, however, and has acted to alleviate some of the shortages. It also has emphasized the responsiveness of the official trade unions and has tightened internal security. In addition, the government recently announced plans, made without Warsaw Pact consultation, to shift funds from defense to the consumer sector and reportedly has decided to postpone price increases that had been planned for later this year. [REDACTED]

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~~Top Secret~~

1 October 1980

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208

~~Top Secret~~

Bucharest probably will succeed in limiting the repercussions of the Polish crisis in the short run, but it may have difficulty with its workers in the future. Romania's economic difficulties will continue for the next several years and probably grow worse.

As Romania's young work force matures and becomes more aware of its potential leverage--a process likely to be accelerated by the example of Poland--it is bound to make more economic demands on the regime. Ceausescu may respond by paying greater heed to consumer interests and even by scaling down his overambitious economic growth targets, but he will resist making wholesale revisions in his basic economic strategy.

#### East Germany

The East German leaders' anxiety about an immediate reaction among their own workers has diminished. the more conservative and disciplined East German labor force would be unlikely to risk its comparatively high standard of living by challenging the pervasive security apparatus.

Nonetheless, the regime views the Polish settlement as an extremely dangerous precedent and evidence of "creeping counterrevolution." Of all the East European regimes, East Germany is the most insecure and fears any possible challenge to its authority.

East Germany is confiscating official Polish newspapers and is scaling down its connections with the Polish party. Party and security functionaries have acted quickly to contain isolated strike threats.

East German authorities may make cautious changes in their trade union organization to make it more responsive to worker demands, but they will be careful to avoid giving the impression that they are acting under pressure. The leadership also is likely to reconsider its plan to seek a mandate at the party congress next spring to raise prices.

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~~Top Secret~~

1 October 1980



~~Top Secret~~

### Hungary

[REDACTED] the media continue to remind workers that they already enjoy many of the advantages the Polish workers were seeking. Hungarians are sympathetic to Polish workers, but probably believe that they have too much to lose by challenging their own system and will attempt to work within it. [REDACTED]

In one respect the events in Poland have vindicated Hungary's New Economic Mechanism, which has anticipated and attempted to solve economic problems similar to Poland's. At the same time, however, implementation of this economic reform has placed new demands on workers and threatened job security. Consequent worker dissatisfaction has made Hungary vulnerable to repercussions from Poland. [REDACTED]

The regime has strengthened its relations with workers and probably will continue to carry out economic reforms while ensuring that worker dissatisfaction is kept in acceptable channels. It has made trade unions more responsive, formed arbitration committees as buffers between enterprises and the workers, and revised the Labor Code to extend workers' rights. While the Polish situation may make the Kadar regime more cautious in carrying out further economic reforms, it also has underscored the need for such measures. [REDACTED]

### Czechoslovakia

The Husak regime initially reacted to the situation in Poland by tightening security controls and cracking down on political dissidents. [REDACTED]

The regime's heavyhanded reaction was aimed at heading off unrest at all costs, and no incidents have

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been reported. In conjunction with these measures and in response to Soviet advice that a placated people would be less likely to stage serious protests, price increases have been postponed and the supply of consumer goods has been improved. [REDACTED]

The Polish situation has apparently further divided the existing factions within the Party. The hardliners are advocating harsh measures to prevent the spread of the "Polish virus," but others favor a critical self-examination aimed at alleviating potential sources of domestic unrest. [REDACTED]

#### Bulgaria

The pressures that precipitated the Polish worker rebellion are not as intense in Bulgaria, an agricultural country whose food shortages are usually less severe than elsewhere in the Warsaw Pact. Bulgaria, moreover, has no organized dissident intellectual or worker groups. Nevertheless, Sofia recognizes the potential for worker unrest and reportedly will give more attention to consumers. [REDACTED]

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1 October 1980